Disinvestments in PSUs

2060. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government has finalized the plan to disinvest the power sector Public Sector Undertakings (PSUs);

(b) if so, the details of these PSUs and the total amount likely to be raised from disinvestment; and

(c) the manner in which the amount so raised is likely to be utilised for the development of power sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Government has decided that

(i) already listed profitable CPSUs not meeting the mandatory public shareholding of 10% are to be made compliant;

(ii) all CPSUs having positive networth, no accumulated losses and having earned net profit for three preceding consecutive years, are to be listed through public offerings out of Government shareholding or issue of fresh equity by the company or a combination of both.

(b) In pursuance of above policy, the Department of Disinvestment is in dialogue with the administrative Ministries and the CPSUs to assess their capital expenditure requirements to be raised through issue of fresh equity. The composition of the 'public offering' will be based on this input and each case will be considered on merits and submitted to Government for approval. No targets to raise funds from disinvestment have been fixed.

(c) The proceeds from disinvestment would be channelised into National Investment Fund and during April 2009 to March 2012 would be available in full for meeting the capital expenditure requirements of selected Social Sector Programmes decided by the Planning Commission/Department of Expenditure. The status quo ante will be restored from April 2012.

Penalty for repaying loan in advance

2061. SHRI SANTOSH BAGRODIA:
SHRI KALRAJ MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a customer has to pay a penalty to the bank for repaying its loans in advance;

(b) if so, whether the Reserve Bank of India (RBI) is against such penalty;

(c) if so, whether the banks are still penalizing the customers;

(d) if so, the rational thereof, despite RBI's views to the contrary on the matter; and

(e) what steps Government proposes to safeguard the customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) Reserve Bank of India (RBI) has reported that pre-payment/foreclosure charges are normally levied by banks as pre-payment of loans affects their Asset Liability Management. RBI has not issued any guidelines regarding pre-payment/foreclosure charges of loans. However, some of the banks have reported that they do not levy any penalty for repaying the loan in advance, if the loan is repaid by the borrower out of his/her own sources/internal accruals.

(e) In terms of extant instructions, in the context of granting greater functional autonomy to banks, operational freedom has been given to scheduled commercial banks on all matters pertaining to banking transactions, including pre-payment/foreclosure charges on loans. With effect from September 7, 1999, banks have been given freedom to fix service charges for various types of services rendered by them. While fixing service charges, banks should ensure that the charges are reasonable and not out of line with the average cost of providing these services. In order to ensure transparency, banks have been advised to display and update on their websites the details of various service charges in a prescribed format.

Further, in terms of the 'Guidelines of Fair Practices Code for Leaders' banks have been advised by RBI that loan application forms should be comprehensive and should include information about the fees/charges, if any, payable for processing, the amount of such fees refundable in the case of non-acceptance of applications, pre-payment options and any other matter which affects the interest of the borrower, so that a meaningful comparison with other banks can be made and an informed decision can be taken by the borrower.

Ayurvedic treatment for swine flu

†2062. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether it is a fact that the claim of successfully treating swine flu has been made by the Indian system of Ayurvedic medicine;

(b) if so, the details thereof and the reaction of Government thereto;

(c) whether Government had also made efforts to create awareness among masses towards these claims; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI S. GANDHISELVAN): (a) Swine-flu is a recently reported condition caused by a new strain of the virus (H1N1 virus) and as such, no research study has been taken up by the Research Councils to determine the efficacy of Ayurveda, Yoga

†Original notice of the question was received in Hindi.